

ST. MARTIN PARISH CLERK OF COURT**Financial Report****Year Ended June 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 08 2012**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net assets	5
Statement of activities	6
FUND FINANCIAL STATEMENTS (FFS)	
Fund description - major fund	
Balance sheet - governmental fund	9
Reconciliation of the governmental fund balance sheet to the statement of net assets	10
Statement of revenues, expenditures, and changes in fund balance - governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of the governmental fund to the statement of activities	12
Fund descriptions - fiduciary funds	
Statement of fiduciary assets and liabilities - agency funds	14
Notes to basic financial statements	15-30
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule	32
Budgetary comparison schedule - revenues	33
Budgetary comparison schedule - expenditures	34
Schedule of funding progress	35
OTHER SUPPLEMENTARY INFORMATION	
Fiduciary Funds:	
Combining statement of fiduciary assets and liabilities	37
Combining statement of changes in assets and liabilities	38

TABLE OF CONTENTS (continued)

	<u>Page</u>
INTERNAL CONTROL AND COMPLIANCE	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	40-41
Schedule of prior and current audit findings and management's corrective action plan	42-43

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*

Tynes E. Mixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Self, CPA
Paul L. Delcambre, Jr. CPA
Wanda F. Arcement, CPA
Kristin B. Dauzat, CPA
Richard R. Anderson Sr., CPA
Carolyn C. Anderson, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Cioslio, CPA 2007

* A Professional Accounting Corporation

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

OFFICES

183 South Beadle Rd.
Lafayette, LA 70506
Phone (337) 232-4141
Fax (337) 232-8680

450 East Main Street
New Iberia, LA 70560
Phone (337) 357-9204
Fax (337) 357-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Vile Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddell St.
Mamouville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8581

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE:
WWW.KCSRCPAS.COM

INDEPENDENT AUDITORS' REPORT

The Honorable Rebecca Patin
St. Martin Parish Clerk of Court
St. Martinville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin Parish Clerk of Court (Clerk of Court), as of and for the year ended June 30, 2011, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clerk of Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin Parish Clerk of Court, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1D to the financial statements, the Clerk of Court adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2011, on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control

over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that budgetary comparison information and schedule of funding progress on pages 31 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The St. Martin Parish Clerk of Court has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements as a whole. The other supplementary information on pages 36 through 38 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 24, 2011

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Net Assets
June 30, 2011

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 650,530
Receivables, net	41,739
Due from other governmental units	1,750
Accrued interest	<u>267</u>
Total current assets	694,286
Noncurrent assets:	
Capital assets, net	<u>65,459</u>
Total assets	<u>759,745</u>

LIABILITIES

Current liabilities:	
Accounts payable	10,416
OPEB obligation	<u>29,774</u>
Total current liabilities	<u>40,190</u>
Noncurrent liabilities:	
OPEB obligation	<u>253,572</u>
Total liabilities	<u>293,762</u>

NET ASSETS

Invested in capital assets, net of related debt	65,459
Unrestricted	<u>400,524</u>
Total net assets	<u>\$ 465,983</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Activities
For the Year Ended June 30, 2011

Expenses:

Judiciary:

Personal services and related benefits	\$ 1,591,008
Operating services	306,713
Material and supplies	74,180
Debt service	<u>1,241</u>
Total expenses	<u>1,973,142</u>

Program revenues:

Licenses and permits	4,850
Fines, charges, and commissions for services	<u>1,693,317</u>
Total program revenues	<u>1,698,167</u>

Net program revenue	<u>(274,975)</u>
---------------------	------------------

General revenues:

Miscellaneous	<u>66,234</u>
---------------	---------------

Change in net assets	(208,741)
----------------------	-----------

Beginning net assets	<u>674,724</u>
----------------------	----------------

Ending net assets	<u>\$ 465,983</u>
-------------------	-------------------

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTION - MAJOR FUND

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Balance Sheet - Governmental Fund
June 30, 2011

ASSETS

Cash	\$ 493,534
Interest-bearing deposits	156,996
Receivables:	
Accounts receivable	41,739
Due from other governmental agencies	1,750
Accrued interest	<u>267</u>
Total assets	<u>\$ 694,286</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	<u>\$ 10,416</u>
Total liabilities	<u>10,416</u>
Fund balance:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>683,870</u>
Total fund balance	<u>683,870</u>
Total liabilities and fund balance	<u>\$ 694,286</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2011

Total fund balance for the governmental fund at June 30, 2011		\$ 683,870
Cost of capital assets at June 30, 2011	\$ 303,019	
Less: Accumulated depreciation	<u>(237,560)</u>	65,459
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:		
Net OPEB obligation payable		<u>(283,346)</u>
Total net assets of governmental activities at June 30, 2011		<u>\$ 465,983</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
For the Year Ended June 30, 2011

Revenues:	
Licenses and permits	\$ 4,850
Fees, charges and commissions -	
Court costs, fees and charges	243,527
Fees for recording legal documents	1,354,569
Fees for certified copies	95,221
Miscellaneous	<u>66,234</u>
Total revenues	<u>1,764,401</u>
Expenditures:	
Current -	
General government:	
Personnel services and related benefits	1,464,222
Operating services	251,178
Material and supplies	74,180
Debt service	17,640
Capital outlay	<u>1,358</u>
Total expenditures	<u>1,808,578</u>
Deficiency of revenues over expenditures	(44,177)
Fund balance, beginning of year	<u>728,047</u>
Fund balance, end of year	<u>\$ 683,870</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2011

Total net change in fund balance for the year ended June 30, 2011 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (44,177)
---	-------------

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	1,358
Depreciation expense for the year ended June 30, 2011	(55,552)

Net increase in OPEB obligation at June 30, 2011	(126,786)
--	-----------

Governmental funds record long-term debt in the General Long-Term Debt Account Group as opposed to recording debt activity in the fund financial statements. However, in the statement of activities, the debt and related expenses are reported.

16,416

Total changes in net assets for the year ended June 30, 2011 per Statement of Activities	<u>\$ (208,741)</u>
--	---------------------

The accompanying notes are an integral part of the basic financial statements.

FUND DESCRIPTIONS - FIDUCIARY FUNDS

AGENCY FUNDS

Both of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary assets and liabilities.

Advance Deposit Fund -

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed by litigants which are accounted for on the computer system. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund -

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2011

ASSETS

Cash	\$ 830,816
Interest-bearing deposits	1,604,728
Accrued interest receivable	<u>380</u>
Total assets	<u>\$ 2,435,924</u>

LIABILITIES

Due to litigants and others	\$ 1,368,830
Unsettled deposits	<u>1,067,094</u>
Total liabilities	<u>\$ 2,435,924</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. Martin Parish Clerk of Court (Clerk of Court) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the industry audit guide, *Audits of State and Local Governments*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, a Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. A Clerk of Court is elected for a term of four years.

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official.

As an independently elected official, the Clerk of Court is responsible for the operations of his office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Clerk's office that are paid or provided by the Parish Government as required by Louisiana law, the Clerk of Court is financially independent. In addition, at the expiration of the Clerk of Court's term of office, the Clerk is required to remit to the Parish Government any balance in the Clerk's General (Salary) Fund that exceeds one-half of the revenues of the last year of the term in office.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

The major fund of the Clerk of Court is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court. It is used to account for and report all financial resources not accounted for and reported in another fund. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

Additionally, the Clerk of Court reports the following fund type:

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund – accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund – accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

In the fund financial statements, the governmental fund utilizes the current financial resources measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. When both restricted and unrestricted sources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25 years
Furniture, fixtures, and equipment	5-12 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The long-term debt consists of one note payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest is reported as expenditures.

Compensated Absences

Employees of the Clerk of Court's office earn 10 to 20 days of vacation leave each year depending on length of service. In addition, employees earn 10 days of sick leave each year. Vacation leave must be used in the year earned; unused vacation leave may be converted to sick leave at year end. Sick leave may be accumulated but is not paid upon termination (unless the individual is disabled or deceased). At June 30, 2011, the Clerk of Court has no accumulated leave benefits required to be reported in accordance with GASB Statement No. 16, "Accounting for Compensated Absences."

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. *Invested in capital assets, net of related debt* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net assets* – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Clerk had no equity in this classification at June 30, 2011.
- c. *Unrestricted net assets* – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. The Clerk of Court adopted GASB Statement 54 in the year ended June 30, 2011. As such, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Clerk of Court. The Clerk of Court is the highest level of decision-making authority for the St. Martin Parish Clerk of Court. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Clerk of Court.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Clerk’s policy, only the clerk may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

As of June 30, 2011, fund balances are composed of the following:

	<u>General Fund</u>
Nonspendable:	\$ -
Restricted:	-
Assigned:	-
Unassigned:	<u>683,870</u>
Total fund balances	<u>\$ 683,870</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Clerk of Court considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk of Court considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk of Court has provided otherwise in its commitment or assignment actions.

E. Budgetary and Budgetary Accounting

The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments were not material in relation to the original appropriations.

F. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2011.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011 are recorded as prepaid items.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2011, the Clerk of Court has cash and cash equivalents (book balances) totaling \$3,086,074 of which \$2,435,544 is attributable to fiduciary funds, which is not presented in the statement of net assets.

Demand deposits	\$ 2,263,430
Time deposits	<u>822,644</u>
Total	<u>\$ 3,086,074</u>

These deposits are stated at cost, which approximates fair value. Custodial credit risk is the risk that in the event of a bank failure, the Clerk's deposits may not be returned to it. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2011, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 3,368,544</u>
Insured	\$ 1,361,777
Uninsured and collateral held by pledging bank not in Clerk's name	<u>2,006,767</u>
Total	<u>\$ 3,368,544</u>

(3) Due from Other Governmental Units

Amount due from other governmental units at June 30, 2011 consisted of the following:

Amount due from the Louisiana Clerk of Court - Clerk's Supplemental Fund	<u>\$ 1,750</u>
--	-----------------

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset balances and activity for the year ended June 30, 2011 is as follows:

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
Buildings, furniture, fixtures and equipment	\$ 301,661	\$ 1,358	\$ -	\$ 303,019
Less: Accumulated depreciation	(182,008)	(55,552)	-	(237,560)
Net capital assets	<u>\$ 119,653</u>	<u>\$ (54,194)</u>	<u>\$ -</u>	<u>\$ 65,459</u>

Depreciation expense of \$55,552 was charged to the general government function.

(5) Pension Plan

Plan Description - The Clerk of Court contributes to the Clerk of Court Retirement and Relief Fund (Retirement System), a cost-sharing multiple employer defined benefit pension plan administered by the Clerk of Court Retirement and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statutes 11:1501 - 1540 to provide retirement, disability and survivor benefits to members throughout the State of Louisiana. The Clerk of Court Retirement and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Clerk of Court Retirement and Relief Fund, 11745 Bricksome Ave., Suite B-1, Baton Rouge, Louisiana 70816.

Funding Policy - Plan members are required to contribute 8.25% of their annual covered salary and the St. Martin Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 17.25% of annual covered payroll. The contribution requirements of plan members and the St. Martin Parish Clerk of Court are established and may be amended by the Clerk of Court Retirement and Relief Fund. The St. Martin Parish Clerk of Court's contributions to the Retirement System for the years ended June 30, 2011, 2010, and 2009 were \$152,758, \$128,708, and \$93,710, respectively.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Changes in Agency Fund Balances

A summary of changes in agency fund due to litigants and unsettled deposits for the year ended June 30, 2011 follows:

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Balance, June 30, 2010	\$ 1,255,133	\$ 1,256,660	\$ 2,511,793
Additions	1,584,392	98,441	1,682,833
Reductions	<u>(1,470,695)</u>	<u>(288,007)</u>	<u>(1,758,702)</u>
Balance, June 30, 2011	<u>\$ 1,368,830</u>	<u>\$ 1,067,094</u>	<u>\$ 2,435,924</u>

(7) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the St. Martin Parish Clerk of Court for the year ended June 30, 2011. The general obligation debt is paid by the general fund. In the past, payments on long term debt that pertained to the Clerk of Court's governmental activities were made by the general fund.

	<u>OPEB Obligation</u>	<u>General Obligation</u>	<u>Total</u>
Long-term liabilities, June 30, 2010	\$ 156,560	\$ 16,416	\$ 172,976
Debt assumed	156,560	-	156,560
Debt retired	<u>(29,774)</u>	<u>(16,416)</u>	<u>(46,190)</u>
Long-term liabilities, June 30, 2011	<u>\$ 283,346</u>	<u>\$ -</u>	<u>\$ 283,346</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Operating Leases

Rental expense for the year ended June 30, 2011 was \$27,879. The Clerk had the following lease agreements in effect during the year ended June 30, 2011:

<u>Description</u>	<u>Term</u>	<u>Expiration Date</u>	<u>Monthly Lease Amount</u>
Konica machine	3.25 Years	10/13	\$ 295
Mail machine	5 Years	5/16	345
Konica machine	4 Years	12/13	298
Konica machine	4 Years	12/13	370
Copystar machine	3 Years	4/12	312
Folding machine	4 Years	10/13	96
Xerox machine	3 Years	9/12	408
Xerox machine	3 Years	9/12	200

The minimum future payments for these agreements are as follows:

2012	\$ 27,256
2013	18,264
2014	8,653
2015	4,140
2016	<u>3,795</u>
Total	<u>\$ 62,108</u>

(9) Deferred Compensation Plan

Certain employees of the Clerk participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

(10) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of general and auto liability, healthcare and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year nor have settlements exceeded coverage for the past three years.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(11) Expenditures of the Clerk of Court Paid by the Parish Government

The Clerk of Court's office is located in the St. Martin Parish Courthouse Annex. The St. Martin Parish Government pays for the upkeep and maintenance of the courthouse annex. These expenditures are not reflected in the accompanying financial statements.

(12) Litigation

There is no litigation pending against the Clerk of Court at June 30, 2011.

(13) Post-Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Clerk of Court recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Clerk of Court's future cash flows. Because the Clerk of Court is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

Plan Description: The Clerk of Court's office offers health care coverage to its eligible employees through a policy maintained with Benefit Management. Retired employees enjoy the same coverage as active employees. The plan is a single-employer defined benefit health care plan administered by the Clerk of Court. The Clerk of Court has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Funding Policy: The Clerk of Court covers 100% of employee's premiums and 50% of the premium for employee's family (spouse and/or children). The Clerk of Court covers 50% of premiums for retired employees and 40% of premiums for their families. The Clerk of Court recognizes the cost of providing these benefits (the Clerk of Court's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost: The Clerk of Court's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Clerk of Court utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

The following table shows the components of the Clerk of Court's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk of Court's net OPEB obligation:

Annual required contribution	\$ 156,560
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost (expense)	156,560
Contributions made	<u>(29,774)</u>
Increase in net OPEB obligation	126,786
Net OPEB obligation - beginning of year	<u>156,560</u>
Net OPEB obligation - end of year	<u>\$ 283,346</u>

The Clerk of Court's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 156,560	-	\$ 156,560
6/30/2011	156,560	19.0%	126,786

Fiscal year 2010 was the year of implementation of GASB Statement No. 45 and the Clerk of Court has elected to implement prospectively. Therefore, only one prior year comparative data is available. In future years, three-year trend information will be presented.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2011, was as follows:

Actuarial accrued liability (AAL)	\$ 1,370,900
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,370,900</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 876,617
UAAL as a percentage of covered payroll	156%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Clerk of Court's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because 2010 was the year of implementation of GASB Statement No. 45 and the Clerk of Court elected to apply the statement prospectively, only two years are presented in the schedule at this time. In future years, required trend data will be presented.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

In the July 1, 2009 actuarial valuation, the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 5% per annum, compounded annually.
2. The inflation rate is 2.5%.
3. The initial trend rate used in the calculations was 7%. The ultimate trend rate is 5%. The time period between the initial rate and the ultimate rate is 2 years.

(14) Subsequent Events

Subsequent events have been evaluated through October 24, 2011, the date of the financial statement issuance.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 4,850	\$ (150)
Fees, charges and commissions -				
Court costs, fees and charges	155,800	227,500	243,527	16,027
Fees for recording legal documents	1,530,000	1,367,000	1,354,569	(12,431)
Fees for certified copies	100,000	94,000	95,221	1,221
Miscellaneous	54,000	61,000	66,234	5,234
Total revenues	<u>1,844,800</u>	<u>1,754,500</u>	<u>1,764,401</u>	<u>9,901</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	1,416,125	1,467,145	1,464,222	2,923
Operating services	267,800	252,900	251,178	1,722
Material and supplies	61,000	61,700	74,180	(12,480)
Debt service	33,000	11,000	17,640	(6,640)
Capital outlay	25,000	10,000	1,358	8,642
Total expenditures	<u>1,802,925</u>	<u>1,802,745</u>	<u>1,808,578</u>	<u>(5,833)</u>
Deficiency of revenues over expenditures	41,875	(48,245)	(44,177)	4,068
Fund balance, beginning of year	<u>670,305</u>	<u>670,305</u>	<u>728,047</u>	<u>57,742</u>
Fund balance, end of year	<u>\$ 712,180</u>	<u>\$ 622,060</u>	<u>\$ 683,870</u>	<u>\$ 61,810</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
Year Ended June 30, 2011

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Licenses and permits:				
Marriage licenses	\$ 5,000	\$ 5,000	\$ 4,850	\$ (150)
Fees, charges and commissions:				
Court costs, fees and charges -				
Criminal costs	75,000	132,000	151,270	19,270
Qualifying fees	6,000	16,300	16,258	(42)
Police jury fees	34,000	32,000	31,649	(351)
UCC fees	18,000	24,000	23,350	(650)
Other	22,800	23,200	21,000	(2,200)
Total court costs, fees and charges	155,800	227,500	243,527	16,027
Fees for recording legal documents:				
Recordings	350,000	335,000	330,657	(4,343)
Cancellations	47,000	47,000	47,117	117
Mortgage certificates	33,000	25,000	24,084	(916)
Suits and successions	1,100,000	960,000	952,711	(7,289)
Total fees for recording legal documents	1,530,000	1,367,000	1,354,569	(12,431)
Certified copies	100,000	94,000	95,221	1,221
Miscellaneous:				
Interest earned	2,000	1,000	1,156	156
Online research	40,000	45,000	45,917	917
Other	12,000	15,000	19,161	4,161
Total miscellaneous	54,000	61,000	66,234	5,234
Total revenues	\$ 1,844,800	\$ 1,754,500	\$ 1,764,401	\$ 9,901

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2011

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Expenditures:				
Current -				
Personnel services and related benefits -				
Salaries:				
Clerk	\$ 104,860	\$ 104,860	\$ 104,860	\$ -
Deputy clerks	825,000	850,000	782,033	67,967
Other	-	-	65,214	(65,214)
Clerk's expense allowance	12,465	12,585	12,586	(1)
Clerk's supplemental fund	19,800	21,000	21,000	-
Group insurance	215,000	222,000	221,844	156
Pension and payroll taxes	214,000	240,700	240,631	69
Deferred compensation	25,000	16,000	16,054	(54)
Total personnel services and related benefits	1,416,125	1,467,145	1,464,222	2,923
Operating services -				
Professional fees	125,000	106,500	89,928	16,572
Insurance	19,000	18,000	26,939	(8,939)
Election expense allowance	2,500	2,500	2,525	(25)
Postage	20,000	28,000	23,525	4,475
Marriage license	3,200	3,100	2,790	310
Telephone	13,000	11,200	11,192	8
UCC fees	5,500	5,600	5,749	(149)
Travel	6,000	8,300	8,613	(313)
Filing fees	24,000	21,000	20,695	305
Repairs and maintenance	10,000	11,000	27,412	(16,412)
Police jury fees	39,600	37,700	31,810	5,890
Total operating services	267,800	252,900	251,178	1,722
Materials and supplies -				
Office supplies and expense	56,500	50,500	58,645	(8,145)
Auto maintenance	3,000	6,200	6,185	15
Dues and subscriptions	1,500	5,000	9,350	(4,350)
Total materials and supplies	61,000	61,700	74,180	(12,480)
Debt service				
Principal payments	33,000	11,000	16,399	(5,399)
Interest	-	-	1,241	(1,241)
Total debt service	33,000	11,000	17,640	(6,640)
Capital outlay	25,000	10,000	1,358	8,642
Total expenditures	\$ 1,802,925	\$ 1,802,745	\$ 1,808,578	\$ (5,833)

ST. MARTIN CLERK OF CLERK
St. Martinville, Louisiana

Schedule of Funding Progress
For the Year Ended June 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2009	N/A	N/A	N/A	N/A	N/A	N/A
July 1, 2010	-	1,370,900	1,370,900	0.0%	765,746	179%
July 1, 2011	-	1,370,900	1,370,900	0.0%	876,617	156%

OTHER SUPPLEMENTARY INFORMATION

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
Agency Funds

Combining Statement of Fiduciary Assets and Liabilities
June 30, 2011

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
ASSETS			
Cash	\$ 830,816	\$ -	\$ 830,816
Interest-bearing deposits	537,645	1,067,083	1,604,728
Accrued interest receivable	<u>369</u>	<u>11</u>	<u>380</u>
Total assets	<u>\$ 1,368,830</u>	<u>\$ 1,067,094</u>	<u>\$ 2,435,924</u>
LIABILITIES			
Due to litigants	\$ 1,368,830	\$ -	\$ 1,368,830
Unsettled deposits	<u>-</u>	<u>1,067,094</u>	<u>1,067,094</u>
Total liabilities	<u>\$ 1,368,830</u>	<u>\$ 1,067,094</u>	<u>\$ 2,435,924</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2011

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Balances, beginning of year	\$ 1,255,133	\$ 1,256,660	\$ 2,511,793
Additions:			
Suits and successions	1,580,006	97,783	1,677,789
Judgments	-	-	-
Interest	4,386	658	5,044
Total additions	<u>1,584,392</u>	<u>98,441</u>	<u>1,682,833</u>
Total	<u>2,839,525</u>	<u>1,355,101</u>	<u>4,194,626</u>
Reductions:			
Clerk's costs (transferred to General Fund)	957,808	-	957,808
Refunds to litigants	238,801	277,931	516,732
Other	124,901	10,076	134,977
Sheriff fees	149,185	-	149,185
Total reductions	<u>1,470,695</u>	<u>288,007</u>	<u>1,758,702</u>
Balances, end of year	<u>\$ 1,368,830</u>	<u>\$ 1,067,094</u>	<u>\$ 2,435,924</u>

**INTERNAL CONTROL
AND
COMPLIANCE**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Moon, CPA*

Tynes E. Mixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scruggins, CPA
Christina L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA, CVA
Mandy B. Solt, CPA
Paul L. Delcambre, Jr., CPA
Wanda F. Arcement, CPA
Kristin B. Douzat, CPA
Richard R. Anderson Sr., CPA
Carolyn C. Anderson, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Closio, CPA 2007

* A Professional Accounting Corporation

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 883-7944
Fax (337) 883-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddell St.
Marksville, LA 71351
Phone (318) 263-9252
Fax (318) 263-8581

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE:
WWW.KCSRGPAS.COM

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Rebecca Patin
St. Martin Parish Clerk of Court
St. Martinville, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin Parish Clerk of Court (Clerk of Court), as of and for the year ended June 30, 2011, which collectively comprise the Clerk of Court's basic financial statements and have issued our report thereon dated October 24, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Martin Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Martin Parish Clerk of Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the St. Martin Parish Clerk of Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We identified deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined below.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Clerk of Court's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying schedule of prior and current audit findings and management's corrective action plan as items 11-1 and 11-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Martin Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The St. Martin Parish Clerk of Court's response to the findings identified in our audit is described in the accompanying schedule of prior and current audit findings and management's corrective action plan. We did not audit the Clerk of Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 24, 2011

ST. MARTIN PARISH CLERK OF COURT
St. Martin, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended June 30, 2011

I. Prior Year Findings:

Internal Control Over Financial Reporting

10-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 11-1.

10-2 Inadequate Controls over Financial Statement Preparation

Finding:

The Clerk's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Status: Unresolved. See item 11-2.

Compliance

There were no findings that were required to be reported at June 30, 2010.

Management Letter Items

There were no management letter items at June 30, 2010.

(continued)

ST. MARTIN PARISH CLERK OF COURT
St. Martin, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2011

II. Current Year Findings and Management Corrective Action Plan:

Internal Control Over Financial Reporting

11-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan:

Ms. Rebecca Patin, Clerk of Court, has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

11-2 Inadequate Controls over Financial Statement Preparation

Finding:

The Clerk's office does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

Management's Corrective Action Plan:

Ms. Rebecca Patin, Clerk of Court, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Compliance

There are no findings that are required to be reported at June 30, 2011.

Management Letter Items

There are no management letter items at June 30, 2011.